

502.405 Federal covered investment adviser notice filing requirement.

1. *Notice filing requirement.* Except with respect to a federal covered investment adviser described in [subsection 2](#), it is unlawful for a federal covered investment adviser to transact business in this state as a federal covered investment adviser unless the federal covered investment adviser complies with [subsection 3](#).

2. *Notice filing requirement not required.* The following federal covered investment advisers are not required to comply with [subsection 3](#):

a. A federal covered investment adviser without a place of business in this state if its only clients in this state are any of the following:

(1) Federal covered investment advisers, investment advisers registered under [this chapter](#), and broker-dealers registered under [this chapter](#).

(2) Institutional investors.

(3) Bona fide preexisting clients whose principal places of residence are not in this state.

(4) Other clients specified by rule adopted or order issued under [this chapter](#).

b. A federal covered investment adviser without a place of business in this state if the person has had, during the preceding twelve months, not more than five clients that are resident in this state in addition to those specified under paragraph “a”.

c. Any other person excluded by rule adopted or order issued under [this chapter](#).

3. *Notice filing procedure.* A person acting as a federal covered investment adviser, not excluded under [subsection 2](#), shall file a notice, a consent to service of process complying with [section 502.611](#), and such records as have been filed with the securities and exchange commission under the Investment Advisers Act of 1940 required by rule adopted or order issued under [this chapter](#) and pay the fees specified in [section 502.410](#), [subsection 5](#).

4. *Effectiveness of filing.* The notice under [subsection 3](#) becomes effective upon its filing. [SS15, §1920-u19; C24, 27, §8577; C31, 35, §8581-c21; C39, §8581.26; C46, 50, 54, 58, 62, 66, 71, 73, 75, §502.26; C77, 79, 81, §502.405]

[2004 Acts, ch 1161, §30, 68](#)

Referred to in [§502.404](#), [502.407](#), [502.408](#), [502.410](#), [502.610](#)